To: George Lahanas
Subject: Review of Council Policy regarding tax increment financing (TIF)
Meeting: City Council Discussion Only - 18 Feb 2020
Department: Planning, Building, and Development
Staff Contact: Thomas Fehrenbach, Director of Planning, Building and Development

BACKGROUND INFORMATION:
In 2017, the City Council adopted Resolution 2017-4, a policy regarding the use of tax increment financing (TIF). It establishes guidelines for the use of TIF pursuant to the relevant State statutes which allow the use of TIF in East Lansing.

Staff requests that Council review the Policy and provide feedback as to whether it is currently in alignment with the Council's goals or whether changes are desired.

We look forward to the discussion at your meeting on February 18, 2020.

ATTACHMENTS:
TIF Policy Resolution 2017-4 FINAL SIGNED
WHEREAS, Public Act 197 of 1975, the Downtown Development Authority Act, and Public Act 381 of 1996, the Brownfield Redevelopment Financing Act, collectively “the Acts”, allow for the use of Tax Increment Financing (TIF) to fund a wide range of both public and private redevelopment activities; and

WHEREAS, the City of East Lansing desires to utilize TIF for the purposes of encouraging investment and redevelopment, improving the quality of life, creating new jobs, and ensuring quality public assets; and

WHEREAS, the City of East Lansing wants to further the City’s development goals as established in its Comprehensive Plan, the Council’s Strategic Priorities, and similar strategic documents;

NOW THEREFORE, IT IS RESOLVED, the following guidelines are established for the approval of TIF pursuant to the Acts.

1. **Minimum Investment.** Projects must have a minimum private sector investment of $1 million.

2. **Developer Standing.** Any development entity being considered must be in good financial and legal standing with the City of East Lansing. This includes any principals or managing partners of Limited Liability Companies that control more than a 10% interest in a development entity seeking TIF support.

3. **Approval Criteria.** The City Council shall place a priority on projects that address environmental contamination and enhance public infrastructure. Other activities which directly support private development shall generally not be supported unless the project has a substantial public benefit. In assessing projects and determining substantial public benefit, Council may consider such factors as job creation, community impact, duration of TIF financing, fiscal impact, and any other criteria as deemed relevant. In addition, projects capturing a percentage of tax increment revenue are preferable over those that propose to capture 100% of new tax revenue. The applicable percentage shall be determined on a case by case basis.
4. **Application and Review Process.** Every private project proposed for TIF support is required to submit an application for review. The application form shall be determined by the relevant authority having initial review responsibilities. Applications shall have a fee equal to 1% of the total requested capture with a maximum fee of $25,000. Where allowed under the Acts, annual administrative fees shall be established by the respective authorities.

Mark S. Meadows, Mayor  
Dated: September 12, 2017

Moved by Councilmember: Altmann  
Seconded by Councilmember: Beier  
ADOPTED:  

Yea: 5  
Nay: 0  
Absent: 0

CLERK’S CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of a Policy Resolution adopted by the East Lansing City Council at its regular meeting held on September 12, 2017, the original of which is part of the Council’s minutes.

Marie E. Wicks, City Clerk  
City of East Lansing  
Ingham and Clinton Counties, Michigan

Approved as to form:

Thomas M. Yeadon (P38237)  
East Lansing City Attorney  
601 Abbot Road  
East Lansing, MI 48823